

Beneficiary's Share of Income, Deductions, Credits, etc.

2001

for the Calendar Year 2001, or fiscal year
beginning _____, 2001 and ending _____, 20____

COMPLETE A SEPARATE SCHEDULE K-1 FOR EACH BENEFICIARY

Name of estate or trust ➤

☐ Amended K-1

☐ Final K-1

Beneficiary's social security number ➤

Beneficiary's name, address and zip code

Federal Employer's I.D. Number ➤

Fiduciary's name, address, and zip code

(a) Allocable share item	(b) Amount	(c) Calendar year 2001 Form N-11*/N-12**/N-15** filers enter the amounts in column (b) on:
1 Interest		Interest Worksheet
2 Ordinary Dividends		Form N-12, line 9; Form N-15, line 9
3 a Net short-term capital gain		Capital Gain/Loss Worksheet, line 2
b Net long-term capital gain		Capital Gain/Loss Worksheet, line 9
4 a Annuities, royalties, and other nonpassive income before directly apportioned deductions		Form N-12, line 18 Form N-15, line 17
b Depreciation		Include on applicable line of appropriate tax form
c Depletion		
d Amortization		
5 a Trade or business, rental real estate, and other rental income before directly apportioned deductions. (see Instructions)		Form N-12, line 18 Form N-15, line 17
b Depreciation		Include on applicable line of appropriate tax form
c Depletion		
d Amortization		
6 Estate tax deduction (including certain generation skipping transfer taxes)		Worksheet A-6, line 27 (N-11/N-12); Worksheet NR-6, line 32 (N-15); or Worksheet PY-6, line 56 (N-15)
7 Net income taxes paid to another state or foreign country (list on a separate sheet)		See Instructions for Form N-11, lines 20b and 27; Form N-12, lines 34b and 40; or Form N-15, lines 36b and 42
8 a Total cost of qualifying property for the Capital Goods Excise Tax Credit (Form N-312A attached)		Form N-312
b Low-Income Housing Tax Credit		Form N-586
c High Technology Business Investment Tax Credit		Form N-318
d Tax Credit for Research Activities		Form N-319
9 Distributions in the final year of estate or trust:		
a Excess deductions on termination (see Instructions)		Worksheet A-6, line 22 (N-11/N-12); Worksheet NR-6, line 26 (N-15); or Worksheet PY-6, line 46 (N-15)
b Short-term capital loss carryover		Capital Gain/Loss Worksheet, line 5
c Long-term capital loss carryover		Capital Gain/Loss Worksheet, line 12
d Net operating loss (NOL) carryover		Form N-12, line 18; Form N-15, line 19
e		} Include on applicable line of appropriate tax form
f		
10 Other (itemize):		Form N-11, line 30; Form N-12, line 43; Form N-15, line 45
a Payments of estimated tax credited to you		See Instructions for Form N-11, lines 10 and 17; Form N-12, line 8; or Form N-15, line 8
b Tax-exempt interest		
c		Include on applicable line of appropriate tax form
d		
DISTRIBUTION OF INCOME NOT SUBJECT TO TAX IN HAWAII TO NONRESIDENT BENEFICIARIES — See Instructions		
11 Interest		Include on applicable line on Form N-15, Column A
12 Dividends		
13 Other intangible income (state nature of income)		
14 Capital gain (loss) on intangibles		

* For Form N-11 filers, if your federal Schedule K-1 (Form 1041) and Hawaii Schedule K-1 (Form N-40) are different, the necessary adjustments are to be made on the Hawaii Additions Worksheet and/or the Hawaii Subtractions Worksheet in the Forms N-11/N-12 Instructions.

** All referenced worksheets are located in the Forms N-11/N-12 Instructions and the Form N-15 Instructions.

Instructions for Beneficiary Filing Form N-11, Form N-12, or Form N-15

Important Notes

For Form N-11 filers, if your federal Schedule K-1 (Form 1041) and Hawaii Schedule K-1 (Form N-40) are different, the necessary adjustments are to be made on the Hawaii Additions Worksheet and/or the Hawaii Subtractions Worksheet in the Forms N-11/N-12 Instructions.

All referenced worksheets are located in the Forms N-11/N-12 Instructions and the Form N-15 Instructions.

General Instructions

Name, Address, and Identifying Number. — Your name, address, and identifying number, the estate or trust name, address, and identifying number should have been entered on the Schedule K-1 you received.

Errors. — If you believe the estate or trust has made an error on your Schedule K-1, notify the fiduciary of the estate or trust and ask for a corrected Schedule K-1. Do not change any items on your copy. Be sure that the estate or trust sends a copy of the corrected Schedule K-1 to the State Department of Taxation.

Specific Instructions

Nonresident beneficiary see instructions for lines 11 through 14 below.

Line 1. Interest. — Report the amount from line 1 (Schedule K-1) on your Interest Worksheet.

Line 2. Dividends. — Report the amount from line 2 (Schedule K-1) on Form N-12, line 9 or on Form N-15, line 9.

Lines 3a and 3b. Capital Gains. — Report the amount from line 3a (Schedule K-1) on your Capital Gain/Loss Worksheet, line 2. Report the amount from line 3b, (Schedule K-1) on your Capital Gain/Loss Worksheet, line 9. If there is an attachment to this Schedule K-1 that reports a disposition of a rental, rental real estate, or passive business activity, see the instructions for federal Form 8582 for information on the treatment of disposition of interests in a passive activity.

Lines 5a through 5d. — Internal Revenue Code (IRC) section 469 provides rules that limit deductions and credits derived from passive activities to the income derived from passive activities and the tax imposed on any net income from such activities. A trade or business activity in which you, as beneficiary of an estate or trust, do not materially participate is a passive activity.

Caution: *The limitations on passive activity losses under IRC section 469 apply to estates and trusts. Federal rules for treating a beneficiary's income and directly allocable deductions from an estate or trust, and other rules for applying the passive loss limitations to beneficiaries have not been finalized. These rules will be provided in future federal regulations.*

Line 8a. Total cost of qualifying property for the Capital Goods Excise Tax Credit. — Attach the Form N-312A provided by the trust or estate to your return. Figure your credit on Form N-312.

Line 8b. Low-Income Housing Tax Credit. — Figure your credit on Form N-586.

Line 8c. High Technology Business Investment Tax Credit. — Figure your credit on Form N-318.

Line 8d. Tax Credit for Research Activities. — Figure your credit on Form N-319.

Lines 9a through 9d. Distributions in the final year of estate or trust. — If the fiduciary checked the "Final K-1" box at the top, you may be allowed to deduct excess deductions from the final year of the trust or decedent's estate and certain unused carryovers (subject to limitations) on your individual income tax return.

Line 10a. — For purposes of computing any underpayment and penalty on Form N-210, Underpayment of Estimated Tax by Individuals and Fiduciaries, you should treat the amount entered on line 10a as an estimated tax payment made on January 20, 2002.

Lines 11 through 14

Nonresident Beneficiary. — Lines 11 through 14 reflect the total interest, dividends, other intangible income, and capital gains or (losses) from the sale of intangibles not subject to tax in Hawaii.

Section 235-4.5(a), Hawaii Revised Statutes (HRS), excludes from gross income any intangible income, such as dividends and interest, earned by a trust sited in the State to the extent that, during the taxable year of the trust, the beneficial interest in the trust is held by a nonresident beneficiary or nonresident beneficiaries. This exclusion does not apply to income received from real property held in a land trust formed under Chapter 558, HRS.